ANNE HIARING HOCKING, # 88639
ahocking@donahue.com
JOHN C. KIRKE, #175055
jkirke@donahue.com
JASON M. FLOM, #287904
jflom@donahue.com
DONAHUE FITZGERALD LLP
Attorneys at Law
1999 Harrison Street, 25th Floor
Oakland, California 94612-3520
Telephone: (510) 451-3300
Facsimile: (510) 451-1527

Attorneys for Defendant
SERINE-CANNONAU VINEYARD, INC.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

VIÑA UNDURRAGA S.A., a Chilean corporation, Vitacura 2939, Piso 21, Las Condes Santiago, Chile,

Plaintiff,

v.

SERINE-CANNONAU VINEYARD, INC., a California corporation, 870 Arbor Road Paso Robles, California 93446,

Defendant.

Case No. 2:15-cv-09658-PSG-JPR

DEFENDANT SERINE-CANNONAU VINEYARD, INC.'S NOTICE OF MOTION AND MOTION TO DISMISS COMPLAINT SEEKING *DE NOVO* REVIEW OF THE TRADEMARK TRIAL AND APPEAL BOARD AND FOR TRADEMARK INFRINGEMENT, UNFAIR COMPETITION, UNFAIR TRADE PRACTICES AND TRADEMARK DILUTION; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT

Date: April 18, 2016
Time: 1:30 p.m.
Courtroom: 880
Judge: Hon. Philip S. Gutierrez

TABLE OF CONTENTS

Page

INTRODUCTION 1
STATEMENT OF ISSUES 1
1. Issues in Dispute – First Claim for Relief 1
2. Second Claim for Relief 2
3. Third Claim for Relief 2
4. Fourth Claim for Relief 2
5. Fifth Claim for Relief 2
SUMMARY OF ISSUES 3
I. THE PARTIES 3
A. Defendant Serine-Cannonau Vineyard, Inc. dba Terry Hoage Vineyards 3
B. Plaintiff Viña Undurraga S.A 4
II. BACKGROUND OF THE DISPUTE 4
III. TTAB ACTION AND FINAL DECISION IN FAVOR OF TERRY HOAGE VINYARDS 7
A. Issues Presented Before The TTAB 7
B. The TTAB's Findings 7
IV. EFFORT TO MEET AND CONFER PRIOR TO FILING 9
ARGUMENT 9
I. LEGAL STANDARD 9
II. DEFENDANT HAS SUPERIOR RIGHTS TO THE TRADEMARKS 11
A. Defendant's First Commercial Use Of The TH In The U.S. Occurred Prior To Viña Undurraga's Earliest Basis Of Rights In The U.S 11
B. Undisputed Evidence Originating From Third Parties Shows That Defendant Used The Trademarks Before Plaintiff 14
III. THE MARKS ARE CONFUSINGLY SIMILAR 15
A. The Cited TH Registration Is Similar To The TH Mark, Which Depicts The Letters "TH," And Is Likely To Confuse Or Mislead Consumers That The Cited TH Registration Is Owned By Or Affiliated With Defendant 15
B. Wine Is Wine – There Is No Triable Issue As To What The Products Are, That They Are The Same And Are Sold In The Same Channels Of Trade 16
C. The Use Of The Letters TH In Stylized Form Is Use Of The Letters TH 17

TABLE OF CONTENTS
(continued)

Page

IV. THE TRADEMARK INFRINGEMENT UNFAIR COMPETITION AND DILUTION CLAIMS SHOULD BE DISMISSED........ 18

CONCLUSION........ 18

TABLE OF AUTHORITIES

Page

CASES

Adams v. Johnson,
355 F.3d 1179 (9th Cir. 2004) 10

Ashcroft v. Iqbal,
556 U.S. 662 (2009) 10

Bell Atl. Corp. v. Twombly,
550 U.S. 544 (2007) 9, 10

Central Garden & Pet Co. v. Doskocil Manufacturing Co., Inc.,
108 U.S.P.Q.2d 1134 (T.T.A.B. 2013) 11, 12

Engel v. Novex Biotech LLC,
No. 14–cv–03457– MEJ, 2014 WL 5794608 (N.D. Cal. Nov. 6, 2014) 11

Giovanni Vaccari & C. S.A.S. v. Nordica Sport Ltd.,
202 U.S.P.Q. 860 (T.T.A.B. 1979) 17

In re E.I. du Pont de Nemours & Co.,
177 U.S.P.Q. 563 (C.C.P.A. 1973) 15

In re Elbaum,
211 U.S.P.Q. 639 (T.T.A.B. 1981) 16

In re Jump Designs LLC,
80 U.S.P.Q.2d 1370 (T.T.A.B. 2006) 16

In re Shell Oil Co.,
922 F.2d 1204, 26 U.S.P.Q.2d 1687 (Fed. Cir. 1993) 16

In re Thor Tech, Inc.,
90 U.S.P.Q.2d 1634 (T.T.A.B. 2009) 16

Johnson v. Riverside Healthcare Sys.,
534 F.3d 1116 (9th Cir. 2008) 10

Liqwacon Corp. v. Browning-Ferris Industries, Inc.,
203 U.S.P.Q. 305 (T.T.A.B. 1979) 12

TABLE OF AUTHORITIES
(continued)

Page

Lopez v. Smith,
203 F.3d 1122 (9th Cir. 2000) (en banc) 11

Manzarek v. St. Paul Fire & Marine Ins. Co.,
519 F.3d 1025 (9th Cir. 2008) 10

Neitzke v. Williams,
490 U.S. 319 (1989) 10

Nina Ricci, S.A.R.I. v. E.T.F. Enters., Inc.,
889 F.2d 1070 (Fed. Cir. 1989) 17, 18

Ocotocom Systems, Inc. v. Houston Computer Services, Inc.,
16 U.S.P.Q.2d 1783 (Fed. Cir. 1990) 16

Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 772,
73 U.S.P.Q.2d 1689 (Fed. Cir. 2005) 17, 18

Sengoku Works Ltd. v. RMC Intern., Ltd.,
96 F. 3d 1217 .... 12, 15

Starr v. Baca,
652 F.3d 1202 (9th Cir. 2011) 10

STATUTES

15 U.S.C. § 1052(d) 8

15 U.S.C. § 1125(a)(1) 2

15 U.S.C. § 1126(d) 8, 12

Cal. Bus & Prof. Code § 17200 et seq. 2

FRCP 12(b)(6) 9, 10, 11

FRCP 8(a)(2) 10

Local Rule 7-3 9

TMEP § 1207(a)(iii) 16

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on April 18, 2016 at 1:30 p.m., in the Courtroom of the Honorable Philip S. Gutierrez at the United States District Court of the Central District of California, located at 255 East Temple Street Los Angeles, CA 90012-3332, Defendant SERINE-CANNONAU VINEYARD, INC. dba Terry Hoage Vineyards ("Terry Hoage") will and hereby does move to dismiss the complaint of Plaintiff VIÑA UNDURRAGA S.A. ("Viña Undurraga" or "Plaintiff").

This motion is made pursuant to Federal Rule of Civil Procedure 12(b)(6) on the grounds that Plaintiff fails to state a claim upon which relief can be granted. This motion is and will be based upon this notice, the accompanying Memorandum of Points and Authorities, the Request for Judicial Notice, all pleadings, records and files herein and in the preceding action before the Trademark Trial and Appeal Board, and upon such other and further matters as may be presented in connection with this motion.

This motion is made following the conference of counsel pursuant to Local Rule 7-3 which took place on February 18, 2016

Dated: February 25, 2016 DONAHUE FITZGERALD LLP

By: /s/ Anne Hiaring Hocking
Anne Hiaring Hocking
Attorneys for Defendant
SERINE-CANNONAU VINEYARD, INC., DBA TERRY HOAGE VINEYARDS

MEMORANDUM OF POINTS AND AUTHORITIES

INTRODUCTION

This case comes before the Court as a de novo review of the findings of the Trademark Trial and Appeal Board ("TTAB") in the Cancellation Action brought by Defendant Serine-Cannonau Vineyard, Inc., dba Terry Hoage Vineyards ("Terry Hoage Vineyards" or "Defendant") against Plaintiff Viña Undurraga S.A. ("Viña Undurraga" or "Plaintiff"). Defendant went through trial and won that action; the TTAB determined that Defendant used the mark TH on wines roughly three years before Plaintiff had any claim of rights to TH on wines. The facts are uncontroverted—Defendant first used its TH marks in commerce in 2004, and Plaintiff first stated its intention to use TH for wines no earlier than 2007. It is only Plaintiff's unsupported conclusions that are in controversy.

Thus the Court can determine the uncontroverted facts through deciding this motion and entirely dispense with the issues in this action. This determination can be based on the pleadings in the Complaint, facts in the records of the respective trademark files of the parties, the ruling of the TTAB and the evidence in the Cancellation proceeding, which was fully litigated by both parties.

STATEMENT OF ISSUES

1. Issues in Dispute – First Claim for Relief

Plaintiff alleges that its "use of the mark TH in connection with wines is not likely to cause confusion with the Defendant's trademark" (ECF Doc. No. 1 ("Complaint") ¶15). Defendant's trademark is shown below:

TERRY HOAGE
VINEYARDS
syrah2006
The Hedge

Defendant asks the Court to determine that the mark is the letters TH meaning that confusion is likely.

2. Second Claim for Relief

Plaintiff alleges that it used the marks TH and TERROIR HUNTER since 2008. (Complaint ¶ 20.) For purposes of this motion, Defendant concedes this and asks the Court to determine that Plaintiff can prove no set of facts to assert rights earlier than this date or the filing dates in September 2007. Defendant asks the Court to determine, based on facts already in the record and not in dispute, that Defendant did sell TH or wines before 2007.

3. Third Claim for Relief

Plaintiff alleges that Defendant's sales of wine under the TH ESTATE WINE mark constitutes unfair competition under 15 U.S.C. Section 1125(a)(1) because it suggests an association with Plaintiff's use of TH or TH TERROIR HUNTER. (Complaint ¶¶ 30-34.)

Defendant asks the Court to determine that Defendant's use of the mark TH precedes any use or claim of rights that Plaintiff can claim or prove, negating any unfair competition claims.

4. Fourth Claim for Relief

Plaintiff alleges that the same wine sales constitute unfair trade practices under the California Unfair Trade Practices Act, Cal. Bus and Prof. Code Section 17200 et seq. (Complaint ¶¶ 34-36.)

Defendant asks the Court to determine that Defendant's use of the mark TH precedes a use or claim of rights that Plaintiff can claim or prove, negating any unfair trade practices claims.

5. Fifth Claim for Relief

Plaintiff alleges that the same wine sales dilute the marks TH and TH TERROIR HUNTER. (Complaint ¶¶ 37-39.)

Defendant asks the Court to determine that Defendant's use of the mark TH precedes any use or claim of rights that Plaintiff can claim or prove, negating any dilution claims.

SUMMARY OF ISSUES

1. That are the letters TH.

2. That, based on the allegations in the Complaint, the records of its own trademark registrations, and federal records of label approvals for Plaintiff's wines that are a precondition to sell its wine in the U.S., Plaintiff cannot prove that it sold wine under the TH mark before Defendant did.

3. The Court can take judicial notice of sales of wine by Defendant several years before any sales by Plaintiff based on federal records of label approvals for Plaintiff's wines, newspaper articles on sales, and the trademark registration records for Defendant's wines.

STATEMENT OF FACTS

I. THE PARTIES.

A. Defendant Serine-Cannonau Vineyard, Inc. dba Terry Hoage Vineyards

This is a trademark dispute between two winemakers, each of which sells wine under the mark TH. The only dispute between the parties is who used the mark TH first. In the Trademark Trial and Appeal Board Cancellation Action, Defendant produced testimony and records that proved it sold wine in the United States before any sales or claim of rights by Plaintiff. Defendant wishes to save the time of this Court and the parties by having the Court determine, based on the allegations in the Complaint and matters that may be judicially noticed, that Defendant has superior right to use TH.

Defendant Serine-Cannonau Vineyard, Inc. does business as "Terry Hoage Vineyards" ("Defendant"). After a noted career in the NFL, Terry Hoage founded his vineyard in Paso Robles with his wife Jennifer Hoage. (Request for Judicial Notice in Support of Motion to Dismiss ("RJN") Ex. J (Terry Hoage Deposition) at 76: 12-16.) They adopted the initials "TH", short for "Terry Hoage", as the brand for their wine and started selling their acclaimed wines under the mark ("TH

Stylized"), then TH VINEYARDS (collectively, the "Terry Hoage Marks.") (RJN Ex. J (Terry Hoage Deposition) at 12: 20-22.)

In the Complaint, Plaintiff acknowledges that Defendant sells wine. (Complaint ¶ 24.) Plaintiff also acknowledges that Defendant has used the TH and TH Stylized "as part of a composite mark including the TERRY HOAGE VINYEARDS designation". (Complaint ¶ 25.) The Complaint also alleges that Defendant uses the trademark TH ESTATE WINES. (Complaint ¶ 26.)

B. Plaintiff Viña Undurraga S.A.

Plaintiff is a Chilean winemaker who sells its products in the U.S. The Complaint alleges that Plaintiff owns trademark registrations for the mark TH (Reg. No. 3,523,399) and TH TERROIR HUNTER (Reg. No. 3,523,400), attached to the Complaint. (Complaint at ¶ 7; ECF Doc. Nos. 1-1, 1-2 (Complaint Exs. A, B).) Defendant does not dispute the facts in those registrations, namely that priority is as of September 14, 2007, and September 27, 2007, respectively. The parties agree that the earliest date that Plaintiff has a claim of right to use the mark TH is September 14, 2007. Plaintiff alleges use of these marks since 2008. (Complaint ¶ 20.)

II. BACKGROUND OF THE DISPUTE.

Defendant has sold TH and TH VINEYARDS brand wines since 2004 (RJN at Ex. L (2004 Article from Atlanta Journal Constitution); Ex. Q (Articles from Wine Spectator); RJN at Ex. J (Terry Hoage Deposition) at 13:16-22); Plaintiff can claim rights only as of 2007. The dates of Plaintiff's applications and the allegations in the files of these registrations are statements under penalty of perjury by Plaintiff, and are public records of which the Court may take judicial notice. Plaintiff's own trademark records show no earlier claim of rights. No approvals of labels to sell TH wines by Plaintiff existed prior to Defendant's use; the only label approvals that exist show legal sales only as of 2008. (*See* RJN Ex. M through O (COLA label approvals).)

Defendant adopted the brands TH and TH VINEYARDS for wines and applied to register these marks with the United States Patent and Trademark Office ("USPTO"). The USPTO refused to register the marks based on three Viña Undurraga marks that were filed before Defendant filed. (Complaint ¶ 9.)

Defendant filed a Petition to Cancel Viña Undurraga's TH mark based on its prior use of TH on wine. It submitted uncontroverted evidence of Defendant's use since 2004 (*See* RJN Ex. J (Terry Hoage Deposition) at 13:16-22; RJN Ex. K (Rachel Rey Deposition) at 14:2-23; RJN Ex. L (2004 article from Atlanta Journal Constitution); Ex. Q (Articles from Wine Spectator);), several years before any constructive use or actual use of TH or TH TERROIR HUNTER by VA. Plaintiff submitted no evidence controverting Defendant's first use dates. The evidence of Defendant's first and continuous use is in the record of the Cancellation Proceeding. This evidence formed the basis of the TTAB ruling finding Defendant's rights in the TH mark to be superior.

The only allegation Plaintiff raises in this litigation that was not raised before is the claim that the stylized lettering in the TH mark, namely , is not the mark TH. (Complaint ¶ 15.) This allegation can be determined adverse to Plaintiff based upon the opinion of the Trademark Trial and Appeal Board, the record of facts in the trademark applications and registrations of the parties' respective TH marks for wines, all facts that can be determined by judicial notice.

Defendant's application to register identifies the mark as "TH", short for "Terry Hoage". The Trademark Office refused to register this mark because it is the letters "TH" – thus the Examining Attorney views the mark as "TH". The TTAB upheld Defendant's prior rights to the mark based on the perception that these letters form the mark "TH". The facts are simply that the Defendant's mark is TH.

The form of the letters "TH" in the stylized version: is the same as TH, just the same as use of COCA COLA in stylized script:

is use of the words COCA COLA. The Court does not need to hold a trial to determine that is TH.

Plaintiff does not allege that it used the mark TH on wine before Defendant. Rather, Plaintiff claims that Defendant used TH Stylized but that this mark is *not* TH – although Defendant and all arbiters have concluded that "TH" is "TH", regardless of the stylized form.

Plaintiff's own trademark registration records state that Plaintiff has continuously used the mark TH and TH TERROIR HUNTER, as stated in its Section 8 and 15 Affidavits. The registration records of these marks are attached as Exhibits A and B to the Complaint and allege rights as of September 2007. The full records of Plaintiff's applications are submitted as Exhibits G, H and I to Defendant's Request for Judicial Notice. Again, the earliest possible claim of rights to these marks is 2007.

By contrast, Defendant submitted uncontroverted testimony that it sold wines under the TH mark since 2004. (RJN at Ex. L (2004 Article from Atlanta Journal Constitution); Ex. Q (Articles from Wine Spectator); RJN at Ex. J (Terry Hoage Deposition) at 13:16-22.) This Court does not need to determine whether Defendant actually first sold wines under the TH mark on a particular date in 2004 or not. All the Court has to do is determine that Plaintiff cannot show any sales before sales by Defendant – regardless of the specific date. Any sales by Defendant before 2007 prove Defendant's superior rights, as Defendant has continuously sold its wine to date. To the extent that the Court believes a claim is stated by the allegation that is not the mark TH, this action could go forward; however that assertion beggars belief.

III. TTAB ACTION AND FINAL DECISION IN FAVOR OF TERRY HOAGE VINYARDS.

A. Issues Presented Before The TTAB.

Several issues not pled in the instant Complaint were before the TTAB. The issues of failure to state a claim in the cancellation proceeding, the barring of that claim by acquiescence or estoppel, and abandonment of rights in the TH mark by Defendant are not part of the allegations in the instant Complaint. The only issues before the TTAB and decided by it on the uncontested evidence are:

A. Whether Defendant's first commercial use of the Terry Hoage Marks in the U.S. occurred prior to Viña Undurraga's claimed priority date of September 14, 2007. (ECF Doc. No. 1-3 (TTAB Final Decision) at p. 5; c*f.* RJN Ex. G (Plaintiff's application for "TH") *to* RJN at Ex. L (2004 Article from Atlanta Journal Constitution); Ex. Q (Articles from Wine Spectator); RJN at Ex. J (Terry Hoage Deposition) at 13:16-22.)

B. Whether the Cited TH Registration is similar to the Terry Hoage Marks, which depict the letters "TH," in sight, sound, and meaning, and is likely to confuse or mislead consumers to believe that the Cited TH Registration is owned by or affiliated with Defendant. (ECF Doc. No. 1-3 (TTAB Final Decision) at p. 7)

The facts supporting the findings on these issues do not need to be re-litigated in the instant Action.

B. The TTAB's Findings.

The facts put into evidence supported the following findings by the Trademark Trial and Appeal Board. The ruling of the TTAB is attached as Exhibit C to the Complaint. (ECF Doc. No. 1-3.)

Defendant has been using the mark since at least as early as November 8, 2004 for the former and before Plaintiff's rights in TH, for the latter. Since that time, Defendant has consistently and continuously introduced numerous new wines under the Terry Hoage Marks, expanding from a small boutique California winery to an acclaimed nationwide wine label.

Defendant filed two applications to register the TH Vineyards and TH Stylized marks, for "wine" in International Class 33 on March 11 and 12, 2010, with the United States Patent and Trademark Office (the "USPTO"). The applications were assigned Serial Nos. 77/957,129 and 77/957,906, respectively (the "Terry Hoage Applications").

The USPTO refused registration of the Terry Hoage Applications, pursuant to Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), based on a likelihood of confusion with Viña Undurraga's mark TH, U.S. Registration No. 3,523,399 (the "Cited TH Registration"). Viña Undurraga had applied to register the Cited TH Registration with the USPTO on October 2, 2007, based on Section 44(d) of the Lanham Act. Viña Undurraga had alleged an intent to use the mark in commerce as of September 14, 2007. Thus the earliest date of claim of rights to use the TH mark by Plaintiff is September 14, 2007.

On April 6, 2011, Defendant filed a Petition to Cancel the Cited TH Registration on the grounds of prior use of an identical or nearly identical mark, for identical goods; or in the alternative based on non-use by Viña Undurraga of the Cited TH Registration in the U.S.

The parties conducted no discovery. Instead, Defendant held telephonic testimony depositions where Plaintiff was represented by counsel with full opportunity to cross-examine. Defendant then submitted the testimony and exhibits authenticated during the testimony into the TTAB record. Plaintiff did not object to the introduction of this evidence before the TTAB. Plaintiff submitted no evidence to dispute Defendant's evidence; it also offered no evidence in support of its use of the TH or TH TERROIR HUNTER marks at all, much less before use of TH by Defendant. (ECF Doc. No. 1-3 (TTAB Final Decision) at 2 ("Respondent submitted no evidence.").)

Through the testimony deposition of Terrell Lee Hoage ("Hoage Testimony") and the testimony deposition of Rachel Dumas Rey ("Rey Testimony"), Defendant proved first use of the Terry Hoage Marks in interstate commerce in the U.S. since at least as early as 2004, and continuous use since then. (RJN Ex. J (Terry Hoage Deposition) at 13:16-22; RJN Ex. K (Rachel Rey Deposition, testifying to continuous use) at 14:2-23; RJN Ex. L (2004 Article from Atlanta Journal Constitution); Ex. Q (Articles from Wine Spectator).

Defendant has already proved its use of its mark since 2004. The evidence supporting prior use and the ruling of prior use decided by the Trademark Trial and Appeal Board may also be noticed judicially.

Nothing in Plaintiff's complaint states a claim that Plaintiff, not Defendant, used the TH mark first.

IV. EFFORT TO MEET AND CONFER PRIOR TO FILING.

Pursuant to Local Rule 7-3, Defendant conferred with Viña Undurraga seven days prior to filing the instant motion. The conference occurred on February 18, 2016. At the conference, counsel for Defendant discussed thoroughly the substance of the contemplated motion and any potential resolution. Counsel for Defendant proposed a stipulated set of facts in order to streamline the issues before this Court. (Declaration of Anne Hiaring Hocking in Support of Motion to Dismiss ("Hocking Decl.") at ¶ 5, 6.) That proposed set of Stipulated Facts is attached to the Declaration of Anne Hiaring Hocking, counsel for Defendant. Plaintiff did not agree to the stipulated facts and did not propose any alternate stipulation of facts. Thus, the parties were unable to reach any sort of resolution that would eliminate the need for the instant motion.

ARGUMENT

I. LEGAL STANDARD

A Rule 12(b)(6) motion challenges the sufficiency of a complaint as failing to allege "enough facts to state a claim to relief that is plausible on its face." *Bell*

Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007). A facial plausibility standard is not a "probability requirement" but mandates "more than a sheer possibility that a defendant has acted unlawfully." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (internal quotations and citations omitted). For purposes of ruling on a Rule 12(b)(6) motion, the court "accept[s] factual allegations in the complaint as true and construe[s] the pleadings in the light most favorable to the non-moving party." *Manzarek v. St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008). "[D]ismissal may be based on either a lack of a cognizable legal theory or the absence of sufficient facts alleged under a cognizable legal theory." *Johnson v. Riverside Healthcare Sys.*, 534 F.3d 1116, 1121 (9th Cir. 2008) (internal quotations and citations omitted); *see also Neitzke v. Williams*, 490 U.S. 319, 326 (1989) ("Rule 12(b)(6) authorizes a court to dismiss a claim on the basis of a dispositive issue of law.").

Even under the liberal pleading standard of Rule 8(a)(2), under which a party is only required to make "a short and plain statement of the claim showing that the pleader is entitled to relief," a "pleading that offers 'labels and conclusions' or 'a formulaic recitation of the elements of a cause of action will not do.'" *Iqbal*, 556 U.S. at 678 (quoting *Twombly*, 550 U.S. at 555.) "[C]onclusory allegations of law and unwarranted inferences are insufficient to defeat a motion to dismiss." *Adams v. Johnson*, 355 F.3d 1179, 1183 (9th Cir. 2004); *see also Starr v. Baca*, 652 F.3d 1202, 1216 (9th Cir. 2011) ("[A]llegations in a complaint or counterclaim may not simply recite the elements of a cause of action, but must contain sufficient allegations of underlying facts to give fair notice and to enable the opposing party to defend itself effectively."). The court must be able to "draw the reasonable inference that the defendant is liable for the misconduct alleged." *Iqbal*, 556 U.S. at 663. "Determining whether a complaint states a plausible claim for relief ... [is] a context-specific task that requires the reviewing court to draw on its judicial experience and common sense." *Id*. at 663–64.

If a Rule 12(b)(6) motion is granted, the "court should grant leave to amend even if no request to amend the pleading was made, unless it determines that the pleading could not possibly be cured by the allegation of other facts." *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000) (en banc) (internal quotation marks and citations omitted); *Engel v. Novex Biotech LLC*, No. 14–cv–03457– MEJ, 2014 WL 5794608, at *2 (N.D. Cal. Nov. 6, 2014).

II. DEFENDANT HAS SUPERIOR RIGHTS TO THE TRADEMARKS.

The evidence of record in the TTAB proceeding consisted of: 1) the pleadings and the file history of the Cited TH Registration, Registration No. 3,523,399, 2) the Terry Hoage Marks, Serial Nos. 77/957,129 and 77/957,906; 3) the Terry Hoage Testimony Deposition and Exhibits; and 4) the Rachel Dumas Rey Testimony Deposition and Exhibits.

A. Defendant's First Commercial Use Of The TH In The U.S. Occurred Prior To Viña Undurraga's Earliest Basis Of Rights In The U.S.

Defendant based its cancellation petition on priority of use and likelihood of confusion. It bore and was successful in proving priority of use by a preponderance of the evidence. *Central Garden & Pet Co. v. Doskocil Manufacturing Co., Inc.*, 108 U.S.P.Q.2d 1134 (T.T.A.B. 2013). Plaintiff does not dispute in the pleadings in this action that Defendant sold wine with the following label:

TERRY HOAGE
VINEYARDS
syrah 2006
The Hedge

Plaintiff also does not dispute that Defendant has continuously used this mark since 2004. (Hocking Decl. at Ex. B (email from Plaintiff's counsel).) Plaintiff only states that use of is not use of TH, a matter that does not require a trial.

Defendant established its priority based on oral testimony and business records which proved its date of first and continuous use. *Central Garden & Pet Co.*, 108 U.S.P.Q.2d 1134 (T.T.A.B. 2013). The uncontroverted testimony by Terry Hoage, with his knowledge of the facts, presented undisputed evidence which was accepted by the TTAB in its ruling (ECF No. 1-3 (Complaint Ex. C) at 2); *see also*; *Sengoku Works Ltd. v. RMC Intern.*, Ltd., 96 F. 3d 1217, 1219 (9th Cir. 1996); *Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 U.S.P.Q. 305, 316 (T.T.A.B. 1979).

Defendant filed the Terry Hoage Applications on March 11 and 12, 2010, and claims a first use date of at least as early as November 8, 2004. Defendant has provided both oral testimony and business records that prove its November 8, 2004 date of first use. Defendant's evidence proves use of the Terry Hoage Marks in the U.S. prior to the Cited TH Registration. (RJN Ex. J (Terry Hoage Deposition) 34:13-21, 37:16-22, 43:7-22, 44:12-21 & Ex. 4, Exs. 7-15.) Additionally, disinterested media publications reported on Defendant's commercial use of the Terry Hoage Marks around that time. *See e.g.* RJN Ex. L (Atlanta Journal Constitution), Ex Q (Wine Spectator).

By contrast, the application to register TH was filed on October 2, 2007, based on Section 44(d) of the Lanham Act. The Cited TH Registration claims a priority date of September 14, 2007, the filing date of the foreign Chilean registration. The application to register TH TERROIR HUNTER was filed October 2, 2007, based on Section 44(d) of the Lanham Act, claiming a priority date of September 27, 2007, the filing date of that foreign Chilean registration.

There is simply no possibility of Plaintiff proving any claim of rights before these "priority" dates. The 2014 testimony of Rachel Dumas Rey, an alcohol beverage industry consultant (RJN Ex. K at 6:22-25), revealed no label approvals granted to Plaintiff to sell wine legally under these brands as of that time. (RJN Ex. K at 23:24-24:13, 24:25-25:9.) The COLA records, which are attached as Exhibits

M through O to Defendant's Request for Judicial Notice, evidence no label approvals for Viña Undurraga TH wines in the U.S. before 2008. Such label approvals are a prerequisite to legal wine sales in the U.S. (RJN Ex. K (Rachel Dumas Rey Deposition) 9: 2-4, 10-15.) Therefore, Viña Undurraga could not have been selling TH wines in the U.S. prior to the sale of TH wines by Defendant (RJN Ex. K (Rachel Dumas Rey) Deposition 9: 2-4, 10-15.)

Plaintiff did not dispute the testimony or evidence proffered by Defendant in the cancellation action before the TTAB. The allegations of the instant Complaint also do not make competing claims. The only claim Plaintiff makes is that is not TH.

Terry Hoage's testimony that he established Terry Hoage Vineyards in 2002 and has been continuously producing wine as Terry Hoage Vineyards since 2002 is uncontroverted. (RJN Ex. J (Terry Hoage Deposition) at 12: 20-22; 34: 17-21.) Hoage's testimony that he has been doing the accounting and bookkeeping for Defendant since its inception, providing him with personal knowledge of Defendant's business practices and sales in relation to the Terry Hoage Marks, was then and is now uncontroverted. (RJN Ex. J (Terry Hoage Deposition) at 40: 16-25.) Terry Hoage put into evidence a sales report showing Defendant's continuous distribution sales into the market throughout the U.S. from 2004 to 2014. (RJN Ex. J (Terry Hoage Deposition) 42:16-25 & Ex. 18.) Plaintiff did not object to the evidence. Plaintiff does not now in its Complaint allege that this is not proper evidence.

Hoage's testimony that Defendant began selling wine under the Terry Hoage Marks in 2004, selling first to individuals and a retail customer in April of 2004 and then making its first wholesale market sale on November 8, 2004 was then and is now uncontroverted. (RJN Ex. J (Terry Hoage Deposition) at 13: 10-22, 93: 6-12 & Ex. 5.) Plaintiff did not challenge on any basis the evidence of first sale of TH wines, an invoice dated November 8, 2004, of its first wholesale sale to the central

California wine distributor, J and L wines (RJN Ex. J (Terry Hoage Deposition) at 13: 10-22 & Ex. 5.)

Defendant put into evidence, similarly not objected to by Plaintiff, "Applications for and Certification/Exemption of Label/Bottle Approval ("COLA")" documents depicting the label approvals for Defendant's wines bearing the Terry Hoage Marks from 2004-2014. (RJN Ex. J (Terry Hoage Deposition) at Exs. 4, 6-15.) These label approvals are a pre-condition to offer wines for sale in the U.S. (RJN Ex. K. (Rachel Dumas Rey Deposition) at 9: 2-4, 10-15.) The Complaint does not challenge this evidence or state a claim that this evidence should not be considered. Again, Plaintiff simply wants to re-litigate these facts again.

B. Undisputed Evidence Originating From Third Parties Shows That Defendant Used The Trademarks Before Plaintiff.

A third party witness also testified, and her testimony was put into evidence without any objection by Plaintiff. The founder and president of Compli Compliance Services and Software ("Compli"), Rachel Dumas Rey corroborated the testimony of Terry Hoage. Compli is a consulting services and outsourced management firm for the alcohol beverage industry. Defendant is one of its clients. (RJN Ex. K (Rachel Dumas Rey Deposition) at 6:19-25, 7:1-3, 8:24-25, 9:1.) 85% of Compli's business is with clients in the wine industry. (RJN Ex. K (Rachel Dumas Rey Deposition) at 8: 13-15.)

Compli produced COLA documents, showing that it has been doing business with Defendant since 2004. (RJN Ex. K (Rachel Dumas Rey Deposition) at 10:20-25, 11:1-22 & Ex. 3.) Specifically, Compli produced a 2004 COLA document it obtained from Defendant, depicting a Terry Hoage Vineyards wine label bearing the Terry Hoage Marks, signed by Rachel Dumas Rey. (RJN Ex. K (Rachel Dumas Rey Deposition) at 10: 20-25, 11: 1-22 & Ex. 3.) Compli also produced COLA documents for Defendant, each depicting a Terry Hoage Vineyards wine label bearing the Terry Hoage Marks, from the years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, and 2014. (RJN Ex. K (Rachel Dumas Rey Deposition) Exs. 4-12.) As long as Rachel Dumas Rey, the president and founder of Compli, has done business with Defendant she has always known "TH" to be the Terry Hoage Vineyards brand. (RJN Ex. K (Rachel Dumas Rey deposition) at 14: 22-23.)

The oral testimony of Terry Hoage and Rachel Dumas Rey, and the business documents (such as, the yearly COLA documents, the wholesale market sale invoice and sales report) Defendant has submitted into evidence prove that Defendant has been continuously using the Terry Hoage Marks in commerce since November 8, 2004.

Plaintiff did not dispute this evidence during the TTAB proceeding and makes no allegations in the instant Complaint that this evidence is not competent. Once again, Plaintiff simply seeks to re-litigate the same facts.

III. THE MARKS ARE CONFUSINGLY SIMILAR

A. The Cited TH Registration Is Similar To The TH Mark, Which Depicts The Letters "TH," And Is Likely To Confuse Or Mislead Consumers That The Cited TH Registration Is Owned By Or Affiliated With Defendant

There is no triable issue of fact that the mark is the equivalent of the letters "TH". The Trademark Examining Attorney refused to register the TH mark, shown in the application as based on the registration of TH by Plaintiff. The Trademark Trial and Appeal Board concluded that the use of the letters TH in the stylized form: was use of "TH" and that Defendant's rights in the TH mark were prior and thus superior. ECF No. 1-3 (TTAB Final Decision) at 5; *Sengoku Works Ltd. v. RMC Intern., Ltd.*, 96 F. 3d 1217, 1219 (9th Cir. 1996) ("It is axiomatic in trademark law that the standard test of ownership is priority of use."). In determining likelihood of confusion, the Court should consider evidence relating to the thirteen factors set forth in *In re E.I. du Pont de Nemours & Co.*, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973).

This Court need not revisit the issue of whether "TH" is "TH". The Court can conclude that it is. No facts can substantiate the claim in the pleadings (Complaint ¶ 14), that TH Stylized is not "TH". This is not a triable issue of fact.

"It is well settled that the issue of likelihood of confusion between applied for and registered marks must be determined on the basis of the goods as they are identified in the involved application and registration." *See Octocom Systems, Inc. v. Houston Computer Services, Inc.*, 918 F.2d 937 (Fed. Cir. 1990); *In re Elbaum*, 211 U.S.P.Q. 639, 640 (T.T.A.B. 1981). When the marks at issue are identical in nature, the relationship between the goods and/or services identified in the registration(s) and/or application(s) need not be as close in proximity as in a situation where the marks at issue are not identical or substantially similar. *In re Shell Oil Co.*, 922 F.2d 1204, 1206 (Fed. Cir. 1993).

B. Wine Is Wine – There Is No Triable Issue As To What The Products Are, That They Are The Same And Are Sold In The Same Channels Of Trade.

Both Parties sell wine – the goods are identical. Plaintiff concedes in the Complaint that both parties sell wine. (Complaint ¶¶ 7, 18, 20, 21, 24, 25.) There is no triable issue here. The Court can conclude that both parties sell the identical product – wine.

The Terry Hoage Applications and the Cited TH Registration both describe the goods broadly as "wine" or "wines," with no limitations as to their nature, type, channels or trade or classes of purchasers. The Examining Attorney therefore found that it is presumed that the Terry Hoage Applications and the Cited TH Registration encompass all goods of the type described, that the goods move in all normal channels of trade and are all available to potential consumers. *See In re Thor Tech, Inc.*, 90 U.S.P.Q.2d 1634, 1638-39 (T.T.A.B. 2009); *In re Jump Designs LLC*, 80 U.S.P.Q.2d 1370, 1374 (T.T.A.B. 2006); *In re Elbaum*, 211 U.S.P.Q. 639, 640 (T.T.A.B. 1981); TMEP § 1207(a)(iii).

C. The Use Of The Letters TH In Stylized Form Is Use Of The Letters TH

To determine if the marks are confusingly similar, the TTAB examined the similarities and differences of the marks in their appearance, sound, meaning and commercial impression. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369 (Fed. Cir. 2005). Although the marks must be considered in their entireties and not dissected into their component parts, it is proper to give extra weight to the dominant feature of a mark, which is the part most likely to create a lasting impression upon prospective purchasers. *Nordica di Franco e Giovanni Vaccari & C. S.A.S. v. Nordica Sport Ltd.*, 202 U.S.P.Q. 860, 863 (T.T.A.B. 1979) (holding that the words NORDIC SPORT formed the dominant feature of applicant's composite mark as it most likely would be remembered by the purchasing public in indicating the source of the goods).

The Cited TH Registration is for the mark "TH" and the Terry Hoage Applications are for the marks "TH" and TH VINEYARDS." The TH mark in the Cited TH Registration is identical in spelling, sound connotation and commercial impression to the TH mark in the Terry Hoage Application, Serial No. 77/957,906.

The Terry Hoage Application, Serial No. 77/957,129, depicts the mark "TH VINEYARDS," in which "TH" is the dominant feature of the mark. The "TH" is the dominant feature of the mark because it is the consistent, unifying name across both the Terry Hoage Marks, and because it is the first word of the TH VINEYARDS mark. *See Nordica*, 202 U.S.P.Q. at 863; *See also Nina Ricci, S.A.R.I. v. E.T.F. Enters., Inc.,* 889 F.2d 1070, 1073 (Fed. Cir. 1989) (Court found VITTORIO RICCI similar in sound, appearance and connotation to NINA RICCI because the surname RICCI "is unifying name in opposer's marks and is the dominant and significant part of opposer's marks in identifying its goods"); *see also Palm Bay Imports*, 396 F.3d at 1372 (Court found "veuve" to be the most prominent part of the mark VEUVE CLICQUOT because "veuve" was the first word in the mark and the first word to appear on the label).

Similar to consumer's recognition of the name "Ricci," as described in the *Nina Ricci* case above, consumers in the U.S. associate Terry Hoage's initials ("TH") with the Terry Hoage Vineyards brand, and they identify the initials with the excellence and goodwill associated with Defendant's products. Also, similar to the *Palm Bay Imports* case above, the "TH" is the most prominent part of the TH VINEYARDS mark because "TH" is the first word depicted in the TH VINEYARDS mark.

The TH mark in the Cited TH Registration is similar in sight, sound and commercial impression to the Terry Hoage Marks. *Nina Ricci, S.A.R.I.*, 889 F.2d at 1073; and *Palm Bay Imports Inc.*, 396 F.3d at 1372. Accordingly, a likelihood of confusion exists between Defendant's Terry Hoage Marks and the Cited TH Registration.

IV. THE TRADEMARK INFRINGEMENT UNFAIR COMPETITION AND DILUTION CLAIMS SHOULD BE DISMISSED.

If the cancellation of Plaintiff's trademark registration for the TH Mark is affirmed, then Plaintiff's claims for trademark infringement, trademark dilution, unfair trade practices and unfair competition should also be dismissed as a matter of law. All claims depend upon proving that Defendant used a mark belonging to Plaintiff. An order upholding the TTAB's ruling affirms that Plaintiff does not own the TH mark, and establishes that Defendant's use of TH Stylized is not infringing or otherwise wrongful.

CONCLUSION

For the foregoing reasons, each claim in Plaintiff's complaint should be dismissed with prejudice and the decision of the Trademark Trial and Appeals Board affirmed. The Court can conclude on the evidence in the record and submitted under judicial notice that, TH, used as Stylized TH, is one and the same mark. The Court can conclude that based on Plaintiff's own Complaint, its own trademark registration records and its own COLA label approvals that it cannot show use before 2008. The Court can also conclude that based on undisputed testimony and facts of which the Court can take judicial notice, Defendant used the TH mark before this year.

If the Court believes there is a question on actual priority, the Court should entertain discovery only on two specific issues: 1. The earliest date that Plaintiff can prove sales of TH wine in the U.S. and 2. The earliest date that Defendant can prove sales of TH wine in the U.S., and revisit this motion as a motion for summary judgment. Once the priority is again proven, the conclusion that TH is TH, and that Defendant's rights are superior, will dispose of this Action.

Dated: February 25, 2016 DONAHUE FITZGERALD LLP

By: /s/ Anne Hiaring Hocking
Anne Hiaring Hocking
Attorneys for Defendant
SERINE-CANNONAU VINEYARD, INC., DBA TERRY HOAGE VINEYARDS